

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7219**

**BILL NUMBER:** HB 1354

**NOTE PREPARED:** Jan 2, 2007

**BILL AMENDED:**

**SUBJECT:** Department of Financial Institutions.

**FIRST AUTHOR:** Rep. Bardon

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill has the following provisions:

*Members' Experience:* The bill provides that three of the members appointed to the Department of Financial Institutions by the Governor must have experience at the executive level of a state-chartered: (1) bank; (2) savings association; or (3) savings bank. (Current law provides that: (1) two members must have experience at a bank; and (2) one member must have experience at a savings association or a savings bank.)

*Members' Duties:* The bill allows members of the Department to establish policies and procedures for licensing and regulation of: (1) financial institutions; and (2) consumer finance institutions making supervised or regulated loans.

*Emergency Procedures:* The bill provides that if the Governor declares a state of emergency in all or part of Indiana, the Director of the Department may take necessary and appropriate action to: (1) establish or preserve safe and sound banking methods; and (2) safeguard the interests of depositors and creditors.

*Employee Compensation:* The bill provides that salaries and benefits for the Department's employees shall be: (1) established by members of the Department upon recommendation of the Director; and (2) paid from the Financial Institutions Fund. The bill also provides that the Director may recommend salaries and benefits substantially equivalent to those paid by the Federal Deposit Insurance Corporation or other federal agencies that supervise financial institutions.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** *Members' Duties:* Under current law, members establish policy and procedure for the supervision of financial institutions by the Department of Financial Institutions in the form of resolutions. Under the bill, they would also, by resolution, adopt policy and procedure for the licensing and regulation of persons and entities. This additional responsibility may minimally increase costs for members' policy- and procedure-making responsibilities.

*Employee Compensation:* To the extent that the members would change the salary and benefits earned by the employees of the Department to be substantially equivalent to those paid by the Federal Deposit Insurance Corporation or other federal agencies that supervise financial institutions, salary and benefits expenditures could increase for the Department. The amount of the increase will depend on the recommendations of the Director and the decision of the members. The bill specifies that the salary and benefits expenses are to be paid from the Financial Institutions Fund, which is consistent with the current statutory purposes of the Fund.

The Department has 76 employees, excluding members, with combined salary of \$4.47 M. Information about salaries by position as of October 16, 2006, is provided in the table below.

Position Category	Number of Positions*	Average Annual Salary*
Administrative Assistant/Secretary	8	\$26,280
Accountant/Program Coordinator	2	29,695
Applied System Analyst	2	66,154
Broadband Executive	7	84,088
Financial Examiner	57	60,938
*Vacant positions are included.		

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** <https://jobs1.quickhire.com/scripts/fdic.exe/runuserinfo?Haveusedbefore=5>

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